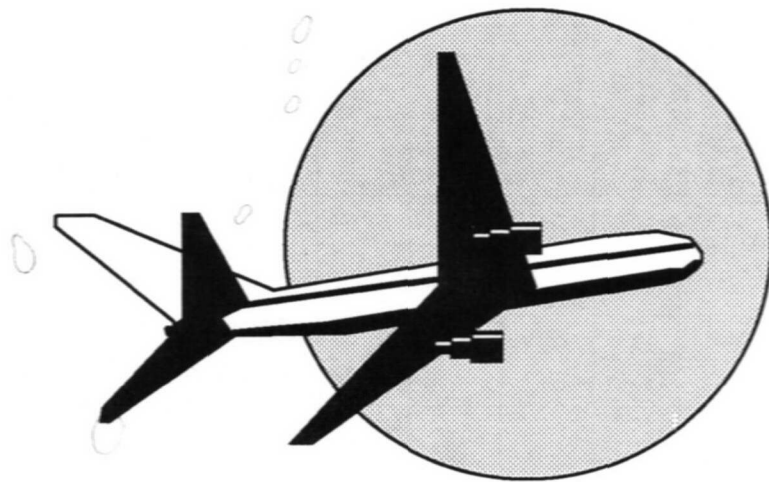
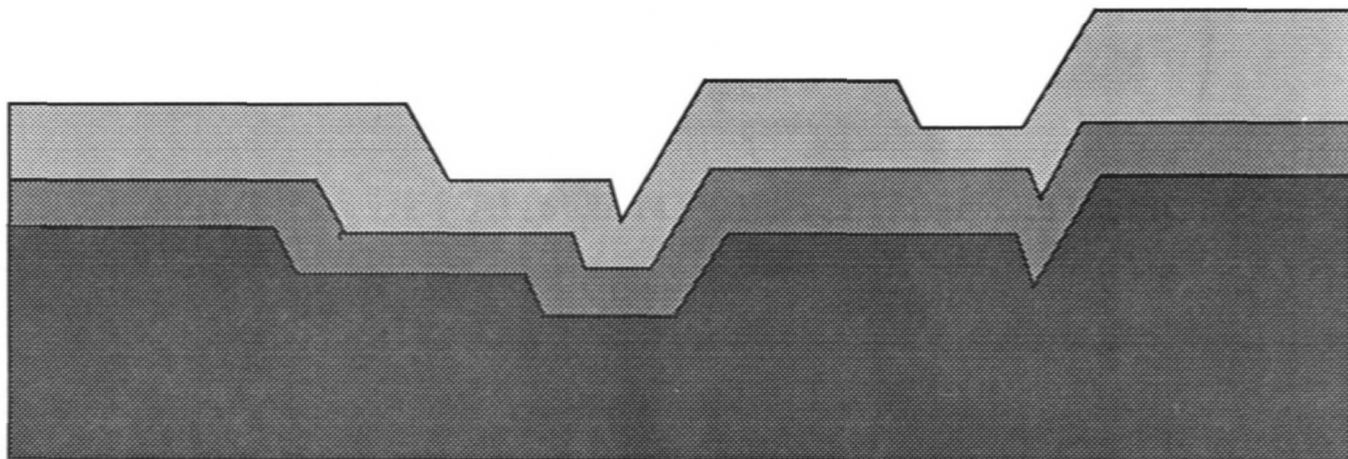


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AERONAUTICS DIVISION
PROGRESS REPORT
1991-92



ARIZONA DEPARTMENT OF TRANSPORTATION



Mission Statement

The mission of the Arizona Division of Aeronautics is to encourage and advance the safe and orderly development of aviation in the State.

The Purpose of the Arizona Aeronautics Division is to:

PROVIDE the citizens of Arizona a safe, balanced and integrated statewide aviation system to meet present and future needs.

REPRESENT the state of Arizona in planning, developing, maintaining and operating facilities for the efficient movement of people and goods by air throughout the state.

ADVOCATE aviation transportation policies consistent with the overall goals of the state; to enhance the sociological welfare; preserve natural resources and conserve available funding.

WORK cooperatively with all entities - public and private - to develop the means for multimodal mobility that will meet community needs as expressed through local planning, land use, patterns of commerce and public dialogue.

STRIVE to create and maintain a local state and federal climate that will make action programs and adequate funding available to achieve a level of aviation transportation capacity and quality necessary for Arizona's continued progress.

RESPOND to the needs of the public, including their need to know, understand and discuss the aviation transportation issues and developments of the day - and to be continually mindful of the tremendous importance of the mission the department has been given as a public trust.

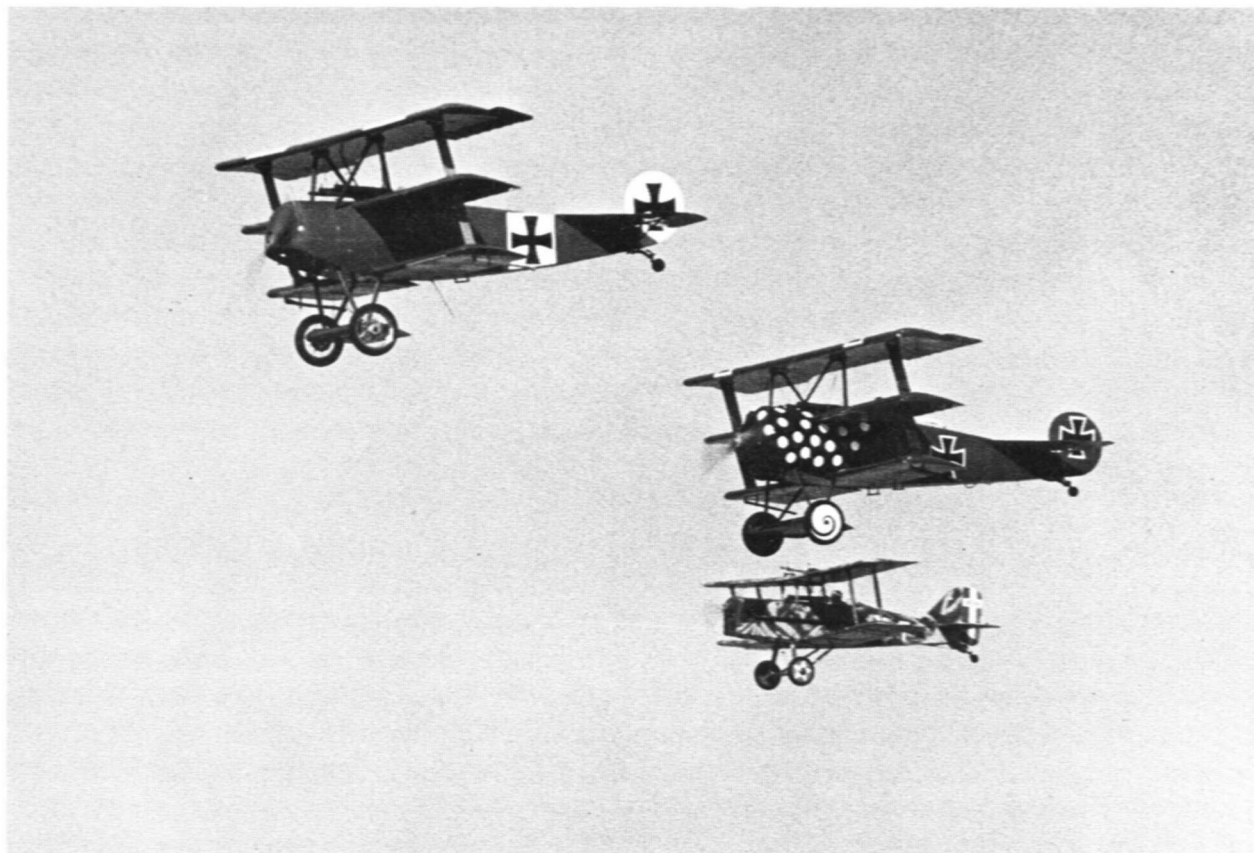
ATTRACT the vital human resources required and reward performance excellence in order to bring the highest degree of professional and technical expertise to the aviation challenges of this state, supported by a meaningful affirmative action program which offers equal self-development opportunities for all.

IMPROVE and maintain internal systems, controls, and support services that can assure maximum productivity while using time, manpower, equipment and facilities at optimum efficiency.

ENCOURAGE innovative thinking and action directed toward management decisions, policy implementation, systems application and design, research, planning and aviation safety efforts.

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HISTORY

The history of the Arizona Department of Transportation Aeronautics Division began with the creation of the Arizona Aviation Authority in March of 1950. The Authority originally consisted of an unpaid board of five members serving three year terms. The primary purpose of the board was to advise the Governor and the legislature on aviation matters. In May of 1955, a director was appointed. The Authority started monthly publication of a newsletter in 1956, and an airmarking program to aid in cross-country navigation was initiated in 1958. In 1959, the

Authority began to assist communities in developing airfields. In 1962, the legislature created the Arizona Department of Aeronautics with a seven member board, and appropriated funds to assist in construction of a Grand Canyon National Park Airport. Construction began in 1963, and the airport officially opened two years later.

In 1974, the Departments of Aeronautics, Highways, and Motor Vehicles were combined to form the present-day Arizona Department of Transportation.

Arizona's Aeronautics Directors

1955 - 1975 James Vercillino

1975 - 1975 John Burns

1975 - 1978 John Walters

1978 - 1987 Ascencion (Sonny) Najera

1987 - 1988 Jack Christopherson

1988 - Gary Adams

AUTHORITY AND RESPONSIBILITY

The Arizona Department of Transportation is composed of five divisions; Aeronautics, Highways, Transportation Planning, Motor Vehicles and Administrative Services. The Aeronautics Division is charged by State law to: encourage and advance the safe and orderly development of aviation in the State; assemble and distribute, to the public, information relating to aviation; represent the State on issues of routing and rate schedules concerning commercial airline traffic; accept federal and other monies for airport development or air navigation facilities; ensure that the Grand Canyon National Park Airport is operated and maintained; license aircraft

dealers; register non-airline aircraft within the State and make recommendations on legislative and policy issues. For statutory references, see Arizona Revised Statutes, Title 28, Chapter 12.

The Aeronautics Division is organized along functional lines of responsibility. In June, 1990, the Division realigned certain functions, with planning and air service coming under the Airport Development Program Administrator, and aviation safety and education joining administration and aviation revenue under the Aviation Program Administrator. The organizational structure of the Division is shown in the chart below.

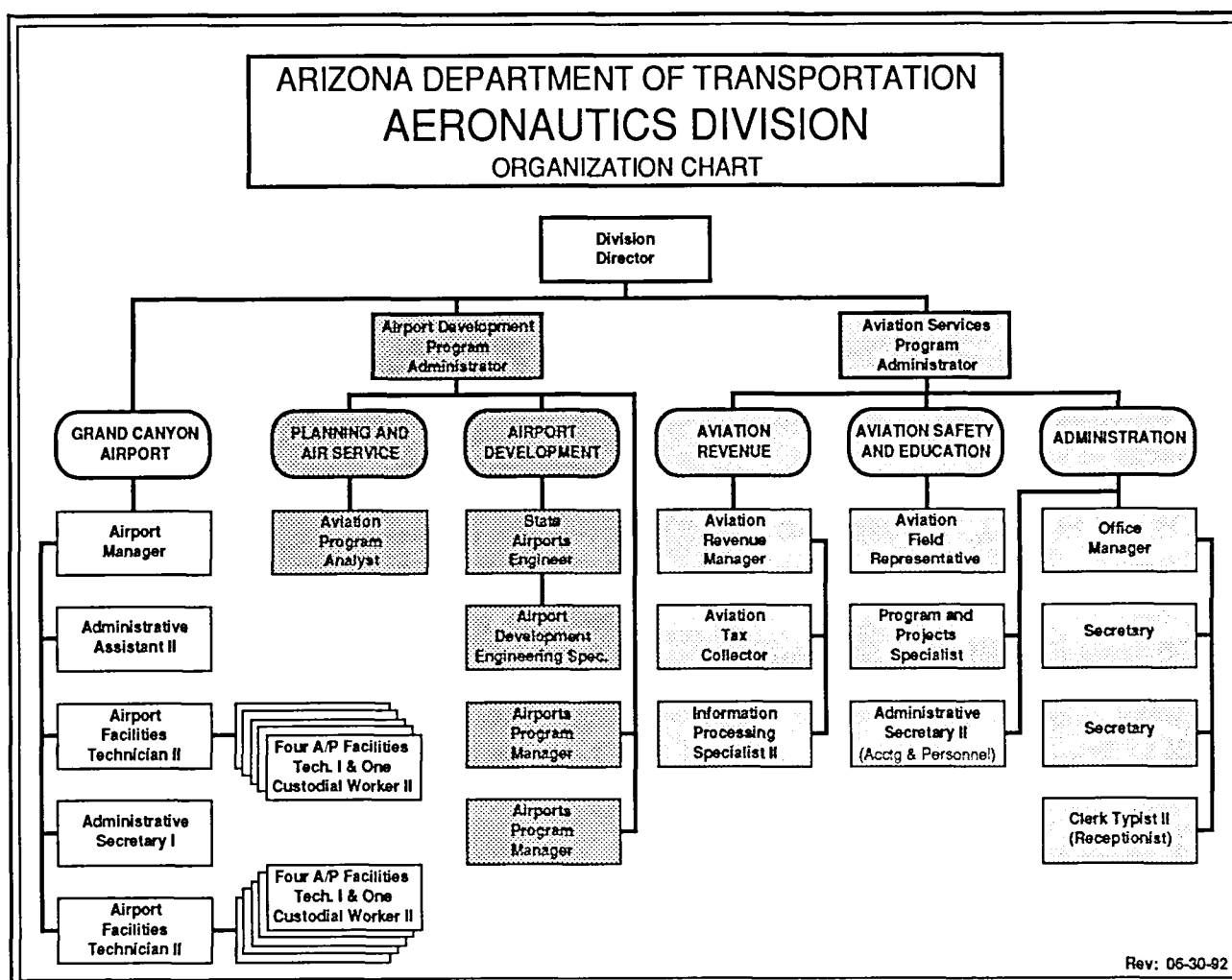


Figure 1

ARIZONA AIRPORT SYSTEM

Arizona's State Airport System directly connects the State's communities, and provides an essential link with the national systems of airspace and airports. It is considered desirable to provide the general public with no more than a thirty minute driving time to a public use airport facility. In Arizona, there are 212 airports and 76 heliports registered with the Federal Aviation Administration (FAA). A primary system of 57 airports provides service to 90% of the population. Of the 57 primary system airports, 48 are publicly owned, while 6 are Indian-controlled and 3 are privately owned.

Primary airports are those airports which have:

- Ten or more based aircraft or 2,000 or more annual operations;

- Scheduled air service by an air carrier or commuter airline on a regular basis; or
- Projections to meet the above criteria within ten years.

Of the 288 facilities, there are 76 heliports or helistops currently listed by the FAA in Arizona. At present, all are private-restricted facilities.

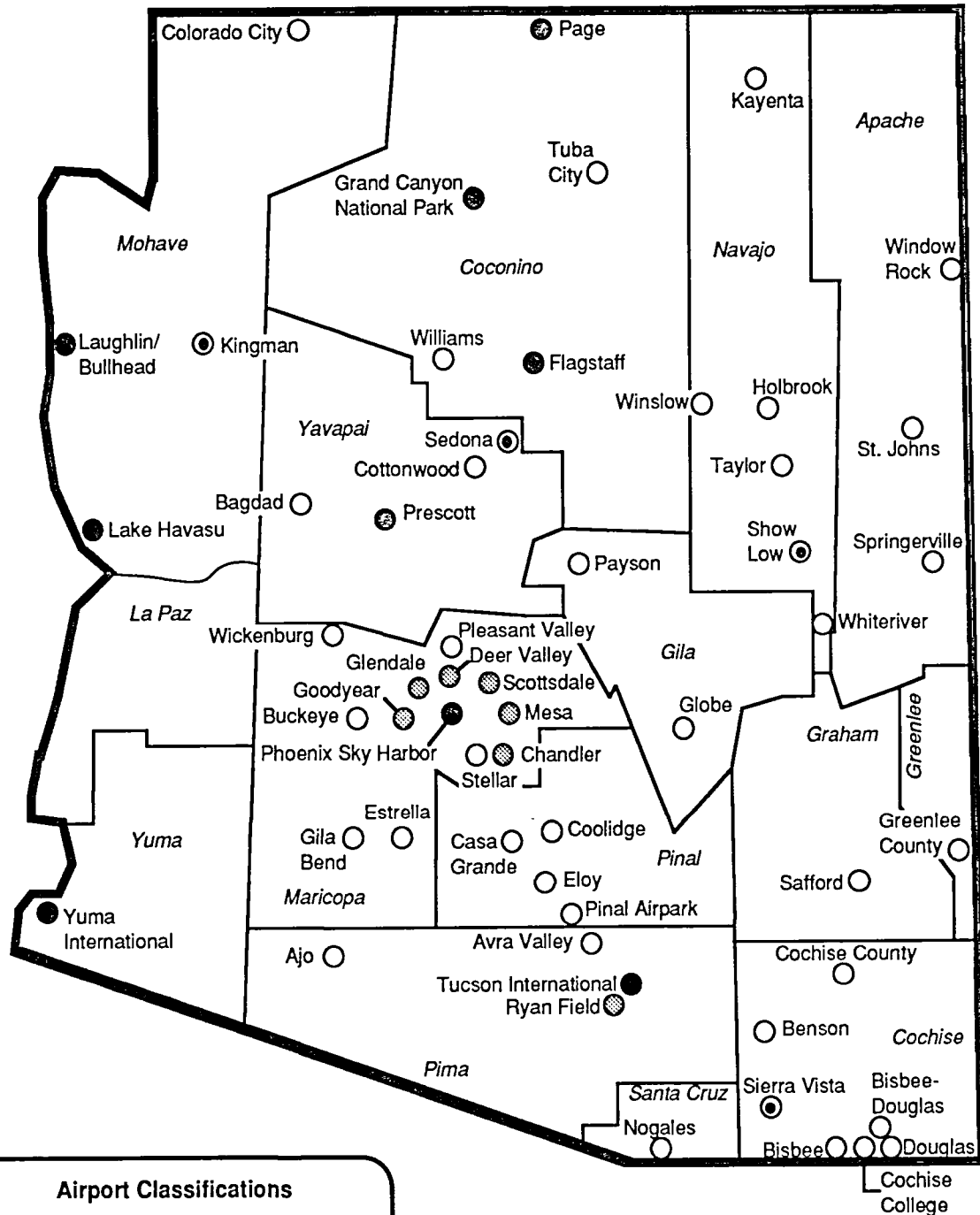
Capital improvements for active airport facilities are financed by a combination of generally available sources: federal funds, state funds and local funds. Federal funds are generated by aviation users and administered back to airports through the Federal Airport Improvement Program. For Federal funding, airports are categorized as shown in table 1.

ARIZONA AIRPORT SYSTEM FACILITIES BY TYPE		
	Primary	Secondary
Primary Commercial Service Airports served by scheduled airlines enplaning 10,000 or more passengers annually.	9	
Non-Primary Commercial Service Airports served by scheduled airlines enplaning 2500 or more passengers annually.	4	
Reliever Airports which relieve congestion at a commercial service airport and provide additional general aviation access to the community.	7	
General Aviation Airports used for general aviation purposes.	37	44
TOTAL SYSTEM AIRPORTS	57	44

Table 1

State of Arizona

Primary Airport System



Airport Classifications

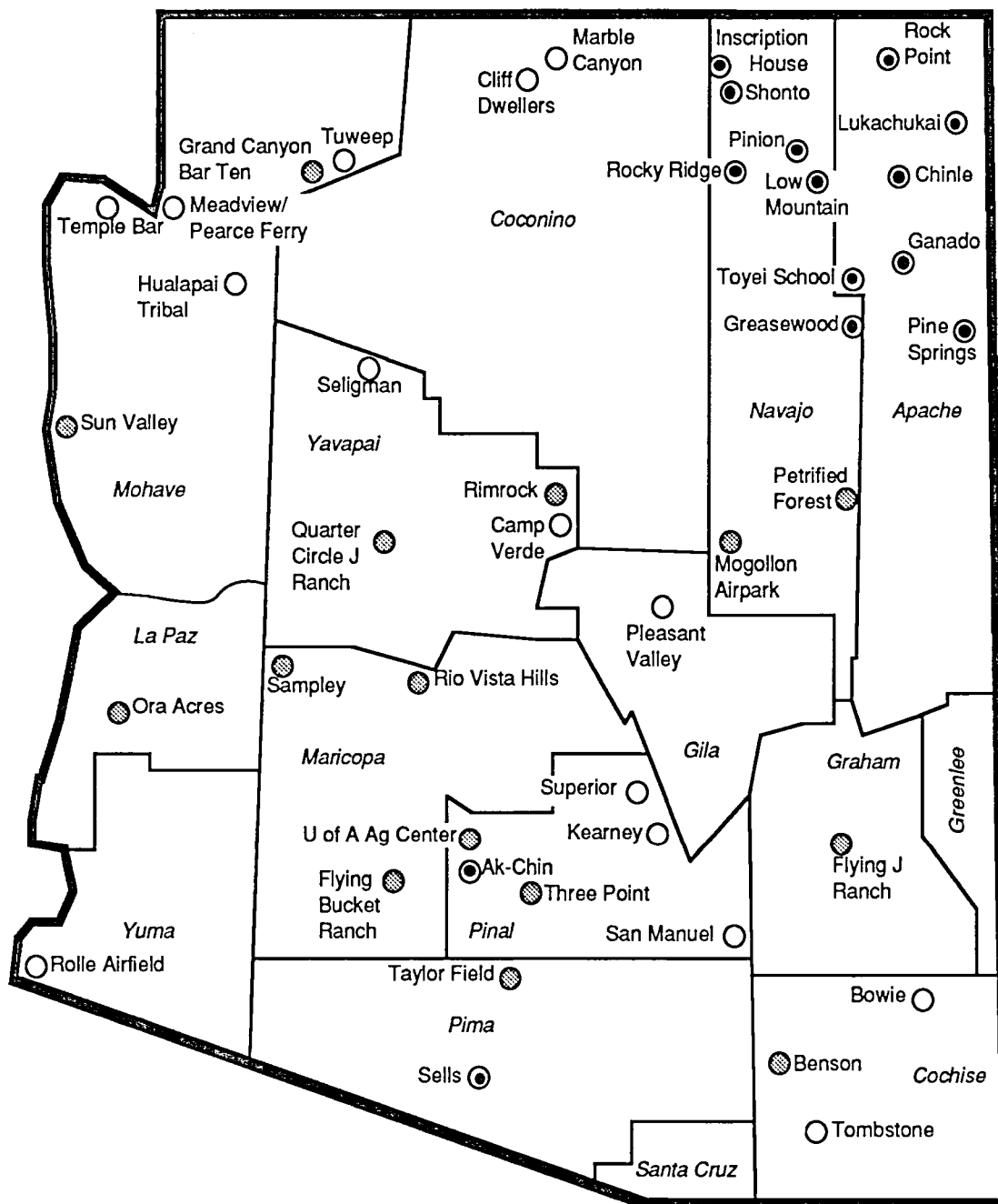
- Primary Commercial Service Airports
- ⊙ Other Commercial Service Airports
- ⊗ Reliever Airports
- Public Use Airports

1992

Aeronautics Div. 10-27-92

State of Arizona

Secondary Airport System



Airport Ownership

○ Public ● Private ● Native American

Secondary System Definition: All public use facilities not in the State's Primary System.

1992

Aeronautics Div. 10-26-92

ADMINISTRATION



support staff for the operational sections including budget preparation, accounting and fiscal controls, management, policy and direction. Secretarial and clerical support, records management and personnel services are also provided. This section closely monitors all expenditures from the State Aviation Fund.

The Aviation Services Program Administrator is responsible for coordinating, reviewing, and commenting on all legal and regulatory matters, legislative and rulemaking functions for the Division, as well as the administration of the Grand

The Administrative section is responsible for the day-to-day operation of the Division. The activities of the Division Director and Aviation Services Program Administrator are included under this section. The Administrative section is continually involved with a wide spectrum of aviation issues which range from answering inquiries from the public to involvement in national issues of major significance to the aviation community.

The Division has automated, through a network of personal computers, many of its administrative activities. The Administrative section continues to operate the aviation data base and management information system which was initiated in 1984. Work has continued on coordinating the automation of the FAA's 5010 data base and field inspection programs, with Arizona becoming the first State to receive approval from the FAA to electronically supply 5010 information.

Under the direction of the Aviation Services Program Administrator, the Administrative Section is also responsible for providing

Canyon National Park Airport, Aviation Revenue, and the Safety and Education programs.

The State Aviation Fund expenditures are approved through an annual budget cycle by the State Legislature. The Legislature approves an administrative budget with the remaining available funds appropriated in a lump sum for airport construction and development. The Transportation Board,





January 11, 1990. The Division, through the N A S A O organization, has strengthened the working relationships with the National Air Transport Association, Airport Operators Council International, Aircraft Owners and Pilots Association, and American Association of Airport Executives. The Division Director has also been active in renewal efforts before Congress for such programs as the

through public hearings and a priority rating system, approves individual airport construction projects as published in the Five-Year Airport and Highway Construction Program. (See Airport Development Section for details.)

Federal Airport Improvement Program and the Essential Air Service Program. The Division participates and makes presentations at fall and spring conferences of the Arizona Airports Association.

The Division is an active member of the National Association of State Aviation Officials (NASAO). Division personnel continually meet with the FAA's management staff on issues affecting Arizona regarding aviation weather, contract tower operations; heliport and airport construction funding, Part 77 obstacle criteria and Federal/State relationships on various aviation matters. The Division Director is co-chairman of the Arizona Airspace Utilization Committee (AAUC). This committee was effective in achieving an unprecedented degree of user input into the final configuration of the Phoenix Terminal Control Area, implemented on



**AERONAUTICS DIVISION
ADMINISTRATION
REVENUE AND EXPENDITURES**

	1987-88	1988-89	1989-90	1990-91	1991-92
REVENUE					
Flight Property Tax	\$3,331,480	\$6,864,000	\$8,885,300	\$10,619,890	\$6,934,381
Aviation Fuel Tax	\$306,770	\$502,760	\$530,510	\$551,700	\$503,088
Aircraft Lieu Tax	\$1,162,980	\$1,147,170	\$1,288,750	\$1,374,720	\$1,404,933
Aircraft Registration Fees	\$27,500	\$26,960	\$24,750	\$47,410	\$26,285
Miscellaneous & Investments	\$393,460	\$498,640	\$1,028,110	\$1,412,210	\$1,064,297
TOTAL	\$5,222,190	\$9,039,530	\$11,757,420	\$14,005,930	\$9,932,984
Percent Increase	66.6%	73.1%	30.1%	19.1%	-29.1%
EXPENDITURES					
ADMINISTRATIVE					
Full-Time Employees	15	18	18	18	18
Personal Services	\$323,500	\$347,070	\$379,030	\$379,290	\$429,198
Employee Related Expenses	\$61,390	\$77,470	\$65,750	\$83,440	\$79,995
Professional Services	\$52,430	\$70,400	\$38,020	\$46,100	\$158,197
Travel In-State	\$12,630	\$21,440	\$23,120	\$21,450	\$25,998
Travel Out-of-State	\$5,390	\$5,770	\$6,940	\$8,070	\$7,161
Other Operating Expenses	\$65,610	\$43,490	\$65,810	\$101,660	\$82,152
Capital Equipment	\$31,030	\$23,890	\$42,400	\$27,670	\$0
Reimburse Highway Fund	\$79,460	\$58,980	\$55,320	\$40,000	\$35,965
TOTAL ADMINISTRATIVE	\$631,440	\$648,510	\$676,390	\$707,680	\$818,669
Percent Increase	25.4%	2.7%	4.3%	4.6%	15.7%
AIRPORT DEVELOPMENT (State \$)	\$3,174,099	\$2,168,658	\$4,403,143	\$9,414,865	\$9,543,092
TOTAL EXPENDITURES	\$3,805,539	\$2,817,168	\$5,079,533	\$10,122,545	\$10,361,758
NET INCOME (LOSS)	\$1,416,651	\$6,222,362	\$6,677,887	\$3,883,385	(\$428,774)

Source: Arizona Department of Transportation Aeronautics Division, Unaudited Financial Records

Table 2

AVIATION REVENUE



The Arizona State Legislature passed into law a bill which created several new categories of aircraft. This was done in order to simplify the registration process for these specific types of aircraft. This bill also eliminated interest on delinquent aircraft taxes and increased the penalty fee for delinquent registration of aircraft.

The Aviation Revenue section is responsible for collection of all general aviation aircraft registration fees and lieu tax in the State; the monitoring, forecasting and assisting in the collection of various other revenues for the State Aviation Fund, and the licensing of aircraft dealers.

The lieu tax is one-half percent of the average fair market value of the aircraft. The Division uses the Aircraft Bluebook Price Digest as its main valuation source on most aircraft. Registration fees and taxes must be paid annually by the last day of February or within sixty days after entry into the State. Aircraft owned by a State licensed Aircraft Dealer in the Dealership name are exempt from the lieu tax if the aircraft is not used commercially and is held for resale only. All Aircraft dealers must post a surety bond in the amount of \$10,000. A cash deposit of \$10,000 may be placed on deposit with the State Treasurer in lieu of a bond. A non-resident may base his aircraft in the State for up to ninety days in a calendar year without registering. No tax can be assessed less than twenty dollars a year except for non-residents subject to the tax.

Several important changes to State aircraft registration law were enacted in April, 1991.

As a result of new legislation requiring stored aircraft to pay a fee, total number of registered aircraft has decreased. Many stored aircraft were scrapped and/or deregistered with the FAA, voiding the requirement by the owner to register the aircraft in the state.

The revenues collected are deposited in the State Aviation Fund and can only be used for construction, development, and improvement of publicly owned airports throughout the State.

The aviation revenue section works closely with law enforcement agencies. The Division's registration records are useful in determining

CALENDAR YEAR 1991	
AIRCRAFT REGISTERED: 5,291	
LAND PLANE	4,336
EXPERIMENTAL	265
BALLOON	162
ROTORCRAFT	132
ANTIQUE	115
GLIDER	104
AGRICULTURAL	92
MILITARY SURPLUS	85

Table 3

true ownership as well as historical background of an aircraft. The section has developed a reputation nationwide for having the most current ownership information available. Some of the agencies which use the information include the Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA), Department of Public Safety (DPS), Internal Revenue Service (IRS), National Narcotics Border Interdiction System (NNBIS), sheriff's offices and local city police departments. The on-line automated records system has proven very beneficial to law enforcement agencies. Through the Arizona Department of Public Safety computers, these agencies now have access to aircraft registration records 24 hours a day. All correspondence and forms are processed with the division's microcomputers.

The aviation revenue sections also works with other federal, state and local governments such as the Federal Aviation Administration (FAA), Department of Revenue, Emergency Medical Services, Arizona Corporation Commission, Industrial Commission of Arizona

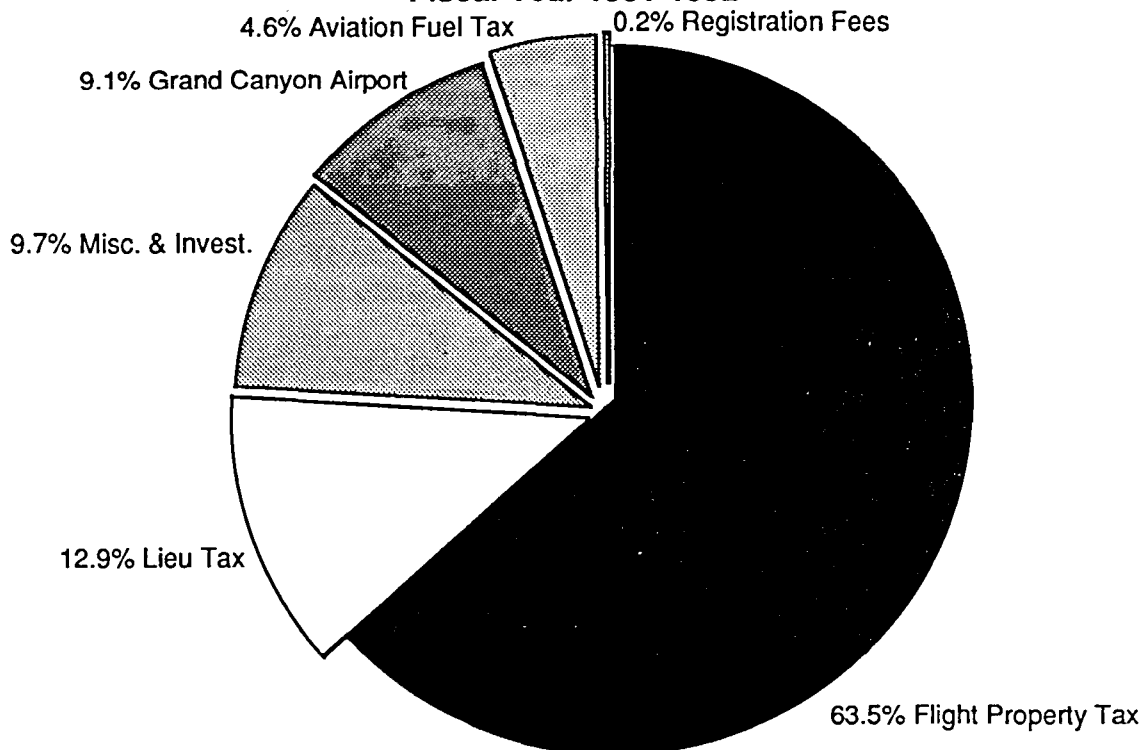
and the Department of Economic Security. Whenever possible, we provide information that may help in their investigations.

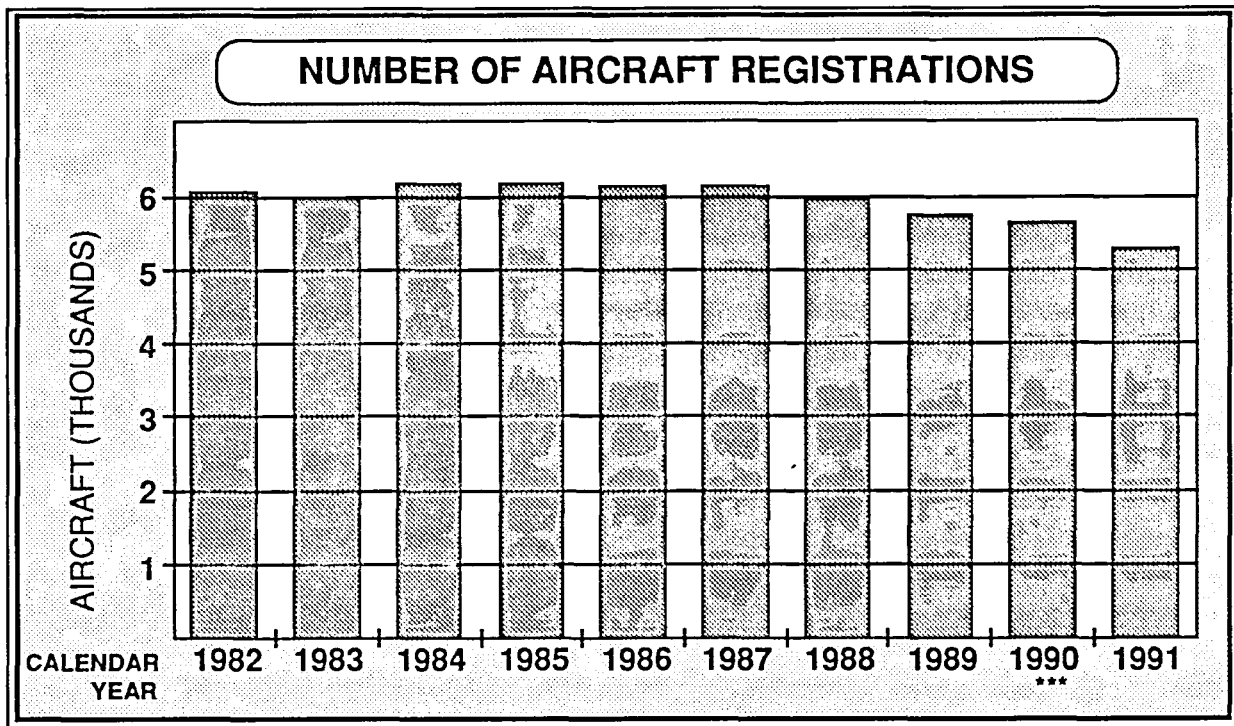
Registration information is available to consultants, engineering firms, and various planning groups for airports planning as well as forecasting for future development. Aircraft registration information is also provided to airports to assist in identifying aircraft and owners when necessary.

This section closely monitors the State Aviation Fund revenues. The Aviation Fund receives revenue from a variety of sources including:

- Flight property taxes paid by scheduled airlines;
- Aviation fuel taxes - \$.05 per gallon;
- Aircraft lieu tax and registration fees on non-airline aircraft;
- Revenues from the operation of Grand Canyon National Park Airport;
- Aviation funds on deposit invested by the State Treasurer.

State Aviation Fund - Revenue Sources Fiscal Year 1991-1992





***See Table 4

Figure 3

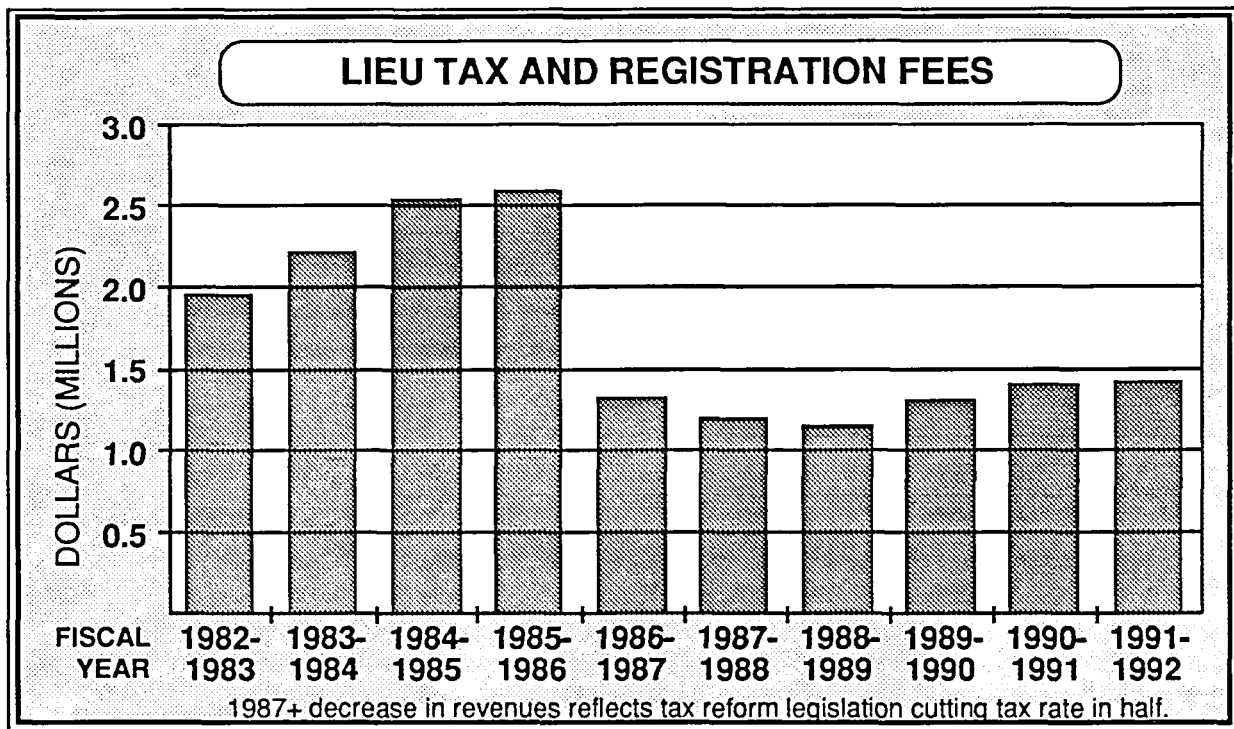


Figure 4

AIRCRAFT REGISTRATION DATA

<u>FISCAL YEARS</u>	<u>*AIRCRAFT REGISTERED</u>	<u>AIRCRAFT LIEU TAX</u>	<u>AIRCRAFT REG. FEE</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL REV. TAX & REG.</u>
66-67	1,386		\$5,132			\$5,132
67-68	1,541		5,037			5,037
68-69	1,795	\$103,528	8,818			112,346
69-70	2,135	105,058	10,876			160,930
70-71	2,499	160,731	12,248			172,979
71-72	2,945	210,202	15,238			225,440
72-73	3,283	239,821	16,308			256,129
73-74	3,463	424,776	18,641			443,417
74-75	3,487	468,546	19,590			448,136
75-76	4,073	511,330	19,585			530,915
76-77	4,372	699,569	22,213	\$15,510	\$2,864	740,156
77-78	5,131	941,568	23,129	9,295	1,668	980,791
78-79	5,289	1,264,776	24,972	10,800	1,409	1,301,957
79-80	5,403	1,608,107	26,156	19,372	5,123	1,658,757
80-81	5,846	1,851,033	27,460	18,662	8,374	1,905,649
81-82	6,009	1,904,154	27,276	19,764	9,210	1,960,405
82-83	6,062	1,949,822	28,210	25,807	15,267	2,019,106
83-84	6,000	2,194,838	29,138	24,268	16,311	2,264,555
84-85	6,159	2,521,643	29,200	21,900	16,892	2,589,635
85-86	6,162	2,567,490	30,116	21,940	10,285	2,597,606
86-87**	6,150	1,297,328	28,650	19,265	10,144	1,355,387
87-88	6,133	1,162,980	27,500	20,894	10,662	1,222,036
88-89	5,969	1,121,900	26,100	13,500	9,700	1,171,200
89-90	5,754	1,288,750	24,750	18,060	8,451	1,340,012
90-91***	5,670	1,374,723	27,280	14,175	5,959	1,422,137
91-92	5,291	1,404,933	26,285	15,740	773	1,447,731

SOURCES: AERONAUTICS DIVISION - ARIZONA DEPARTMENT OF TRANSPORTATION

* Calendar Year Data

** Decrease in revenue reflects tax reform legislation cutting tax rate in half.

*** As a result of new legislation requiring stored aircraft to pay a fee, total number of registered aircraft has decreased due to owners having aircraft deregistered with the FAA, voiding the requirement to register with the State.

Table 4

HISTORICAL AVIATION FUEL TAX DATA

<u>FISCAL YEARS</u>	<u>GALLONS OF FUEL</u>	<u>1 ¢/GAL AV FUEL TAX</u>	<u>5¢/GAL AV FUEL TAX</u>	<u>UNCL/UNREF AV FUEL TAX</u>	<u>TOTAL FUEL TAX REVENUE</u>
66-67	5,766,744			\$106,791	\$106,791
67-68	5,828,129			107,935	107,935
68-69	5,798,436			102,283	102,283
69-70	5,331,384	\$34,528		105,996	140,524
70-71	5,818,298	59,367		110,462	169,829
71-72	6,144,510	60,307		107,932	168,239
72-73	5,885,395	59,395		126,475	186,870
73-74	6,444,930	64,207		130,815	195,022
74-75	6,871,623	69,781		143,084	212,865
75-76	7,075,481	68,343		174,982	243,325
76-77	9,577,534	72,506		186,152	258,658
77-78	9,541,147	69,926		213,890	283,816
78-79	8,159,000	85,159		254,113	339,272
79-80	9,054,499	90,545		252,089	342,634
80-81	12,453,322	124,533		317,742	442,275
81-82	11,228,545	112,285		268,315	380,600
82-83	8,482,597	84,826		229,812	314,638
83-84	8,227,983	82,279		284,747	367,026
84-85	7,637,721	76,377		305,734	382,111
85-86	6,471,370	64,714		336,316	401,030
86-87*	8,202,591	11,900	\$350,629	81,779	444,308
87-88**	8,929,382	0	306,774	0	306,774
88-89	10,276,177	0	502,765	0	502,765
89-90	10,610,226	0	530,511	0	530,511
90-91	11,033,960	0	551,698	0	551,698
91-92	10,061,760	0	503,088	0	503,088

* As of August 13, 1986 -- AvGas Tax was increased from 0.01¢ per gallon to 0.05¢ per gallon.

** As of August 18, 1987 -- AvGas Refunds were eliminated except for aerial applicators.

Table 5

AVIATION SAFETY AND EDUCATION

RESPONSIBILITIES

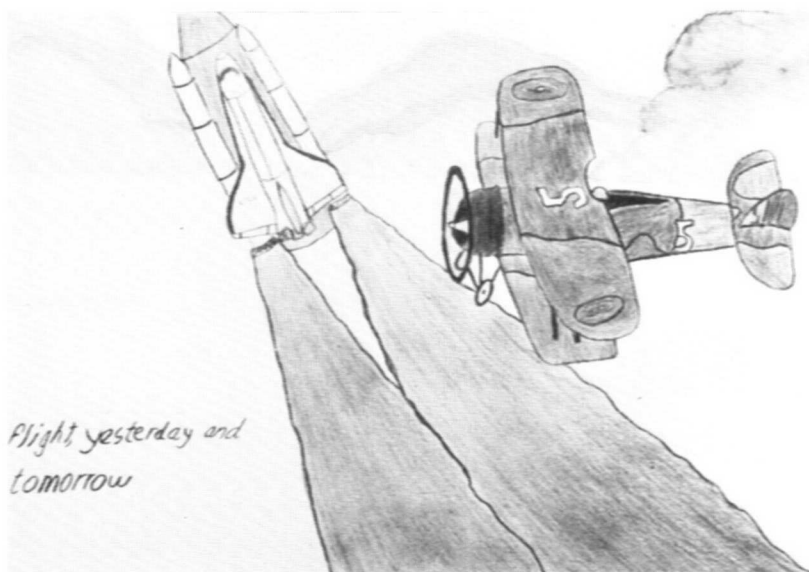
The Aviation Safety and Education Section is responsible for the dissemination of aviation information, air safety, aerospace education, and monitoring aviation regulations. Planning, organizing, and conducting aviation related seminars are also included in this section.

INFORMATION EXCHANGE

The Section monitors regulatory proceeding, reviews press releases, monthly magazines and newsletters to stay in touch with aviation safety, regulatory, and industry developments. Many of these periodicals are organized and retained in an aviation reference library. The section handles calls, letters, and other contacts from the general public and aviation interests each year. Information is provided on the spot, research is initiated, and referrals are made to other sources having additional specific expertise.

ACTIVITIES

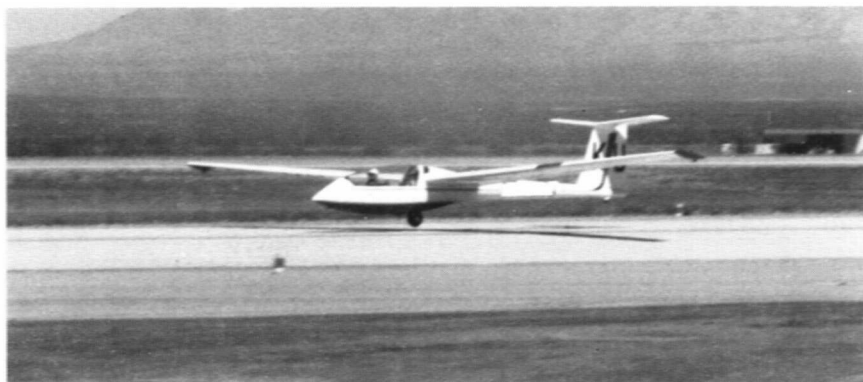
Safety and education efforts during 1991-92 concentrated on continuing the safety seminar program; assisting in the FAA 5010 Airport Master Record inspection program; assisting with the State Aviation System Plan; and



membership on the Arizona Commercial Operator Advisory Council. Assigned personnel also act as a resource for other sections within the Aeronautics Division. Data collection, planning, and analysis is provided on special projects. The Aviation Field Representative is designated as Division pilot, to arrange and conduct air transportation when required, as well as keeping regulatory and navigation data current and available. FAA airspace studies are researched and comments provided. A library of video tapes is maintained and is being expanded to meet aviation education needs.

AVIATION PILOT SEMINARS

This year the Division has started a Pilot Seminars program. These Seminars are to be scheduled quarterly in various locations throughout the State. They provide continuing education for pilots, answer questions from the audience, and encourage maintenance of



pilot proficiency and responsibility.

The section is also a member of the Aviation Safety Advisory Group.

National Aviation Education Week is designed to educate children and the public, and to introduce them to the varied elements of aviation. The Aviation Services Program Administrator chairs the Arizona Aviation Education Week Committee, which coordinates activities during the week.

PUBLICATIONS

Aviation is the official publication of the Arizona Department of Transportation, Aeronautics Division and is distributed periodically to Arizona aircraft owners, aviation organizations, and others by request. The purpose of this publication is to disseminate information on division activities emphasizing airport development projects, news from and events of local aviation organizations, safety-oriented

features, regulatory and procedural updates, features of interest to Arizona aviators, and national news affecting aviation.

The Annual Progress Report is a composite of the activities of the Aeronautics Division over the preceding fiscal year.

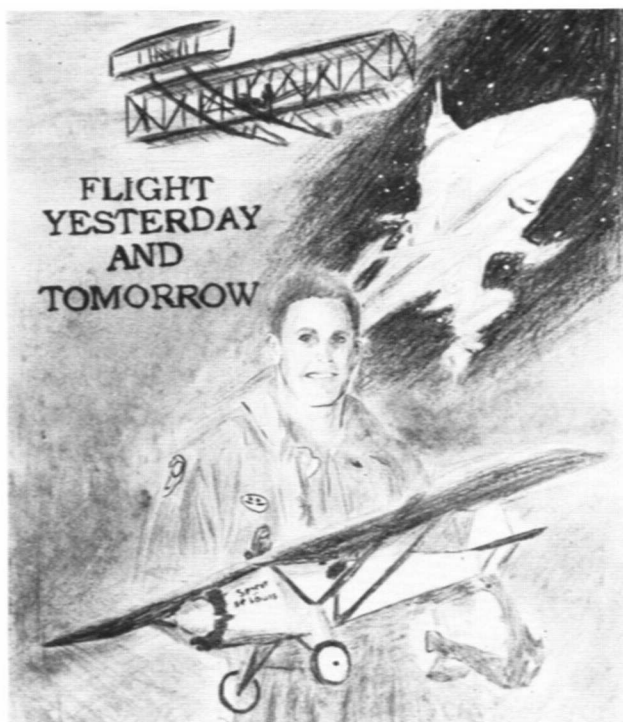
Helicopter Facts is a booklet providing basic information about helicopters and how they fly. It is designed as an education tool for use during helicopter displays, and is provided on request to individuals or groups.

The Arizona Aeronautical Chart, out of print since 1985, was funded by the legislature and published in 1991. The chart provides pilots with the ability to plan trips within the State of Arizona, using the State's concise and comprehensive chart.

Desert Survival Guide is a pamphlet outlining various desert survival principles, including specific techniques in survival situations.

Bald Eagle Nesting Sites is produced in partnership with the Arizona Department of Game and Fish in an effort to provide pilots with a detailed layout of eco-sensitive nesting sites throughout the State.

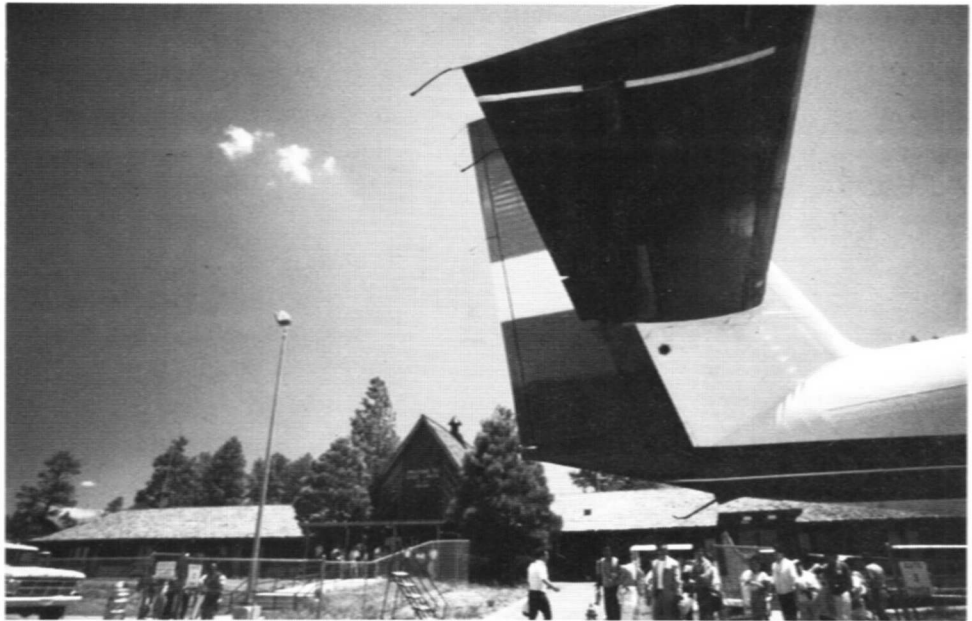
Division Brochure, published as a quick-reference guide, outlines the Division's scope, as well as lists the services available to the commercial and general aviation communities.



GRAND CANYON NATIONAL PARK AIRPORT

The Aeronautics Division is responsible for the maintenance, operation and improvements of the only active State-owned airport in Arizona. The Airport is located seven miles from the South Rim, and was originally constructed with funds from the Department of Interior, the Federal Aviation Administration and the State of Arizona. The airport first opened in October, 1965. It was completed and formally dedicated in October, 1967.

Today, it is the third most active air carrier airport in the State following Phoenix Sky Harbor and Tucson International. The airport is served by over 40 air taxi and commuter carriers. Annual aircraft operations increased during the year to 173,313 and the total number of passengers for fiscal year 1992-1993 is estimated to be 950,000.



The airport is operated by a staff of fifteen full-time employees of the Aeronautics Division, including the airport manager.

An economic impact study, prepared for ADOT by the Economic Outlook Center of Arizona State University, estimates the impact of Grand Canyon National Park Airport as providing 730 jobs, and total economic activity of \$45 million in Coconino County.



**GRAND CANYON NATIONAL PARK AIRPORT
REVENUE AND EXPENDITURES
AIRCRAFT OPERATIONS AND PASSENGERS ENPLANED**

	1987-88	1988-89	1989-90	1990-91	1991-92
REVENUE	\$69,500	\$526,000	\$807,620	\$977,260	\$989,600
EXPENDITURES					
Full-Time Employees	0	10	10	11	15
Personal Services	\$0	\$155,430	\$165,860	\$215,410	\$324,700
Employee Related Expenses	\$0	\$39,390	\$44,110	\$67,420	\$75,000
Professional Services	\$0	\$0	\$1,110	\$9,710	\$0
Travel	\$0	\$3,140	\$3,200	\$2,070	\$5,900
Other Operating Expenses	\$0	\$175,960	\$193,330	\$316,840	\$249,700
Capital Equipment	\$0	\$2,020	\$29,420	\$75,770	\$185,000
TOTAL EXPENDITURES	\$0	\$375,940	\$437,030	\$687,220	\$840,300
CAPITAL IMPROVEMENT EXPENDITURES (State \$)	\$182,777	\$84,767	\$104,600	\$1,000,153	\$790,299
NET INCOME (LOSS)	(\$113,277)	\$65,293	\$265,990	(\$710,113)	(\$640,999)
AIRCRAFT OPERATIONS	130,860	141,130	152,000	154,960	173,313
Percent Increase	29.7%	7.8%	7.7%	1.9%	11.8%
PASSENGERS ENPLANED/ DEPLANED	654,290	705,660	760,010	775,000	790,276
Percent Increase	28.4%	7.9%	7.7%	2.0%	2.0%

Source: Arizona Department of Transportation Aeronautics Division,
Unaudited Financial Records

Table 6

AIRPORT DEVELOPMENT



Under the direction of the Airport Development Program Administrator, this section has the following responsibilities:

- 1) Administration of the Five-Year Airport Development Program and reimbursement of sponsor expenses for eligible project items;
- 2) Technical support for airports and airport projects;
- 3) Engineering guidance for and administration of Grand Canyon Airport construction;
- 4) Airport safety data inspections covering selected public airports.

PROGRAMMING

The planning process for the 5-year Airport Development Program begins with an extensive evaluation of needs. These needs are then prioritized among the various airport categories before inclusion in a program consistent with the criteria established by Transportation Board policy. Finally, they are evaluated and matched with anticipated funds to arrive at a financially balanced program that makes optimum use of available aviation dollars.

FUNDING

Airport construction and development in Arizona is accomplished through a cooperative effort involving three levels of government: federal, state and local. Each of these governmental units shares in the financing of airport development projects in the State. The Federal Airport Improvement Program, when viewed in dollars allocated per year, has fluctuated from year to year, but overall has almost tripled in the last decade. This is an indicator of the growth of aviation in Arizona. Figure 6 depicts this growth. While fiscal year (FY) 1986-1987 FAA grant awards decreased, FY 1987-1988 FAA grant awards rebounded to over \$32 million, and FY 1991-1992 FAA grant awards reached an all-time high of \$45.4 million.

At the local level, funds for airport development may come from several sources. General fund contributions, revenue from general obligation bonds, user taxes and revenues from airport leases and concessions are examples of the primary sources of funding. However, local communities are often unable to keep pace with their airport's needs without increased federal or state assistance.



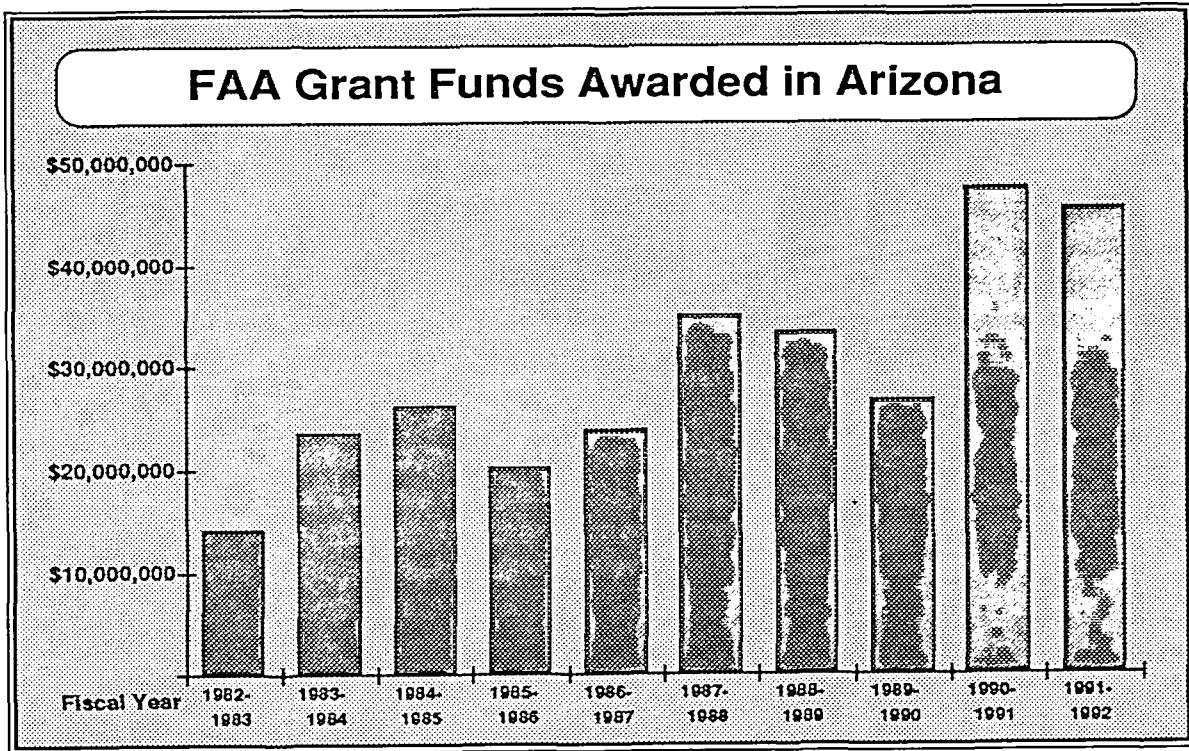


Figure 6

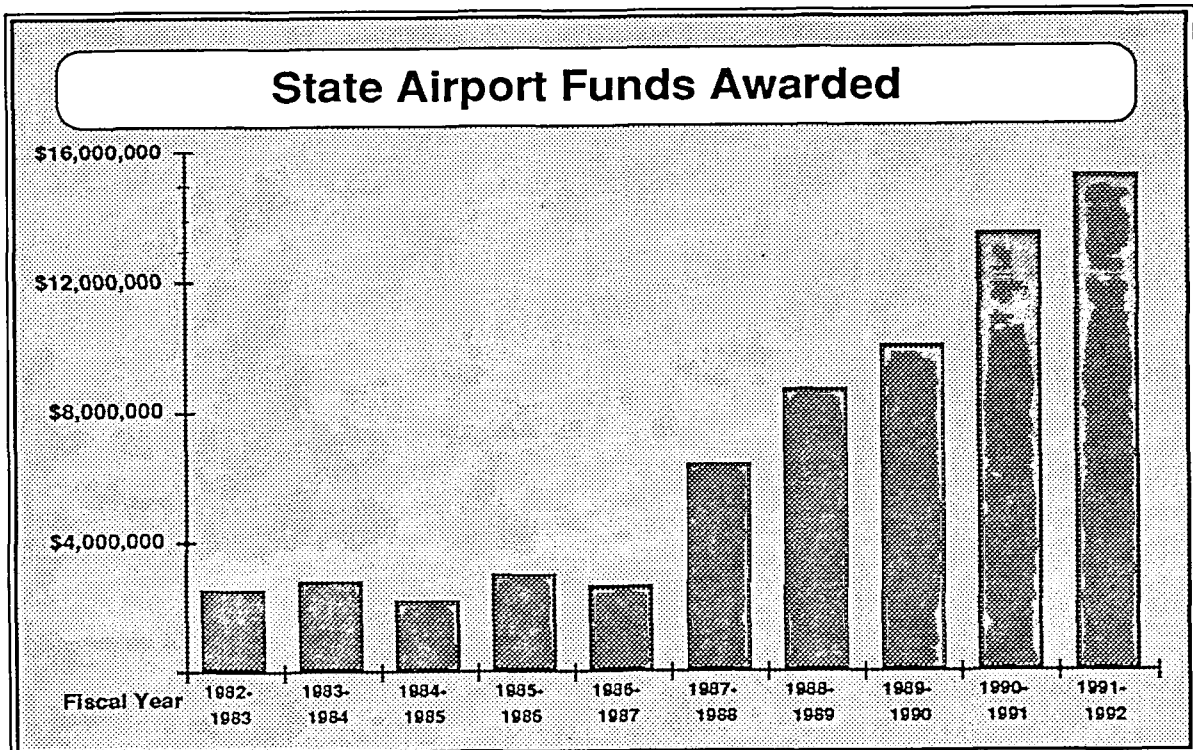


Figure 7

Currently, the local sponsor provides a matching share of 4.47 percent on federal/state/local projects and ten percent on state/local projects.

The State's Airport Development Program has increased dramatically over the last ten years. State grant funds awarded have increased from \$1.62 million in FY 1979-1980 to \$15.2 million in FY 1991-1992. This represents growth of over 900%. Figure 7 illustrates some of this growth.

AIRPORT PROJECTS COMPLETED

The number of airport projects completed remained relatively constant during the fiscal year periods of 1981-1982 to 1988-1989, as shown in Figure 8, with between 25 and 30 projects completed each year. The sharp increase in both State and Federal funding beginning in FY 1987-1988 has resulted in a significant increase in the number and scope of projects in progress. The number of projects completed jumped to 42 in FY 1991-1992, which reflects this increased funding.

PROJECT ADMINISTRATION

Airport projects funded through the Five-Year Airport Development Program are subjected to technical review and monitoring, from design through the construction and audit processes. During the design phase, the Section assists sponsors in evaluating and interpreting design criteria. Additional assistance is rendered by reviewing and commenting on engineering agreements, plans, specifications, and contract documents for compliance with State funding requirements.

As the project progresses through the construction phase, the Airport Development Section reviews bid tabulations, performs field reviews of work during construction, reviews field and laboratory procedures/test results, and analyzes and approves change orders. At the conclusion of the project, a final inspection is performed. As-built plans and certified quantities are required before final payment is made. Approximately one-third of the projects are audited to ensure compliance

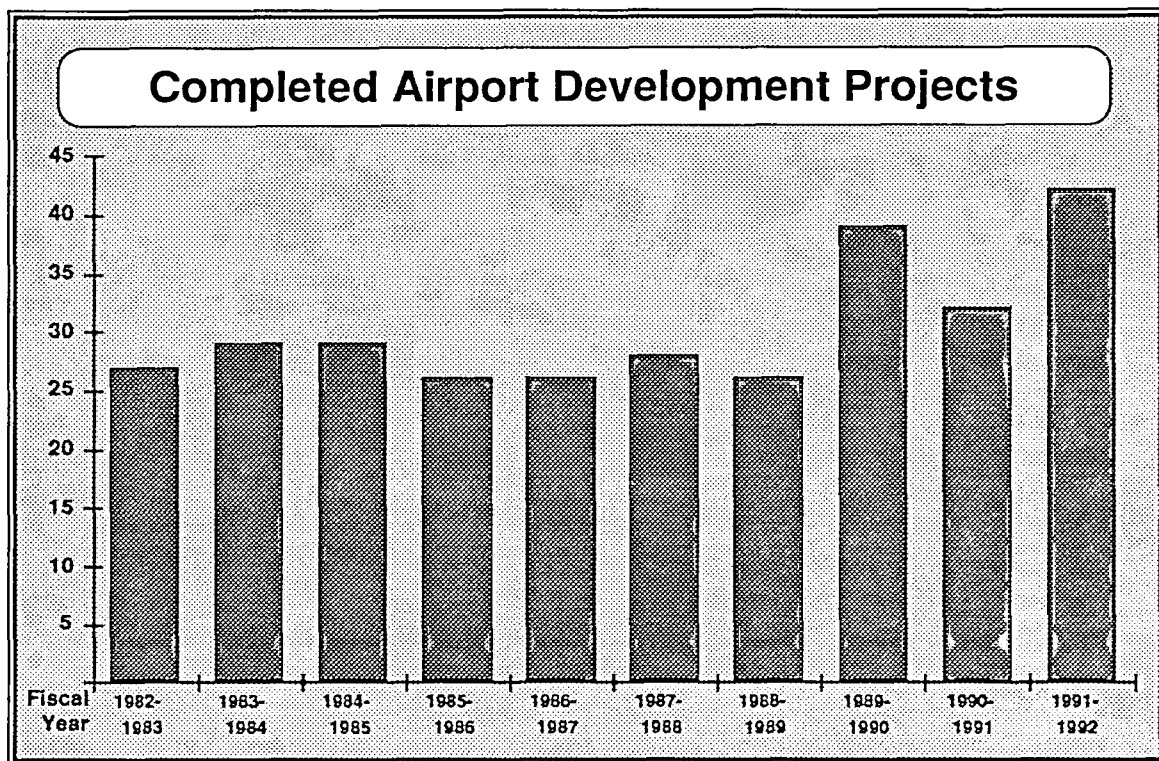


Figure 8

with contractual requirements.

TECHNICAL ASSISTANCE

The Airport Development Section provides technical assistance to the Sponsor to assure quality construction, optimize construction costs, streamline administrative procedures through all stages of the project, and assist local officials in the development of their airport facilities in a cost-effective manner.

The Airport Development Section also provides technical support for special aeronautical studies and the development of airport plans. Local airport sponsors may, at any time, receive technical comment and operational guidance concerning improvements or development of their airports.

The sponsor's administrative burden is being reduced through the assistance provided by the airport development section. Where possible, reporting forms and other documents already required by the Federal Government are also used for State purposes, helping reduce duplication.

AIRPORT SAFETY INSPECTIONS

During the year, the Airport Safety Inspection Team visited more than fifty Arizona airports. The team conducts inspections of public use airfield facilities and conditions for the FAA Airport Safety Data Program. The objectives of the program are to promote airport safety



through contact with airport management; identify and report safety conditions at airports; and make recommendations to correct deficiencies. The program also provides airport information for the FAA airport data base, and for publishers of aeronautical charts and airport guides.

GRAND CANYON AIRPORT ENGINEERING

The Airport Development Section is responsible for engineering and administering construction projects at the State-owned Grand Canyon Airport. All funding, payment and project authorizations are processed by the Airport Development Section. A consulting firm has designed access roads, a heliport, a terminal, automobile parking, and utilities. Construction of site improvements began in May of 1991 and will be completed in January of 1993.

All engineering phases of construction work undertaken at the Grand Canyon Airport are either performed directly by this office, or by engineering consultants under the supervision of the Airport Development Section.



AIR SERVICE AND AVIATION PROGRAMMING/PLANNING

The Aviation Planning Section assisted in developing strategies and programs for the long term orderly development of Arizona's aviation system.

Ongoing monitoring of the aviation system is conducted with the goal of identifying system deficiencies and future demands. To accomplish this goal, the division maintains a continuous planning process for the system. Increments of the continuous planning process include analysis of current aviation activities for the airports of the system, forecasts of future demand on the system and the ability of the system to meet the future needs. The Division is currently updating the Airport Land Use Compatibility Study. This study looks at the existing land uses surrounding the system airports and identifies non-conforming land uses. The study also inventories the current zoning regulations in the vicinity of the system airports and recommends strengthening the zoning where needed. Other segments of the continuous planning process include a Pavement Management Study to determine the health of the airport pavements. The Aviation Activity Study is conducted biennially to track the system usage and serve as a base for forecasts of future aviation demands. Additionally, periodic studies are conducted



to analyze issues such as Commuter Air Service, Secondary System performance, Economic Impact Studies, Recreational Airport Study and Emerging Airports. The division supports the regional aviation planning activities of Maricopa and Pima Counties and includes the regional studies in the state aviation plan.

The planning section establishes procedures, in conjunction with the Federal Aviation Administration, for airport planning. Airport specific studies include site selection studies, airport master plans, airport noise studies, and environmental assessment studies for proposed airport projects.

Recent studies that have been completed in aviation planning include: Aviation Needs Study, a legislative mandate on the performance of the State's airport transportation system; an Aircraft Counter Program which tabulated aircraft activity at 15 non-towered airports around the State; an Economic Impact Study on Aviation in Arizona; an Airport/Heliport Land Use compatibility study which provided an inventory of the State's primary airport system and a synopsis of Indian airports. These last two studies, along with a Forecast of Airport Usage and a Study of Commuter Air Service Feasibility, are incorporated into the the State Aviation



past year, the section participated extensively in the State Aviation Needs Study. Several other studies/programs recently completed include: a complete automation of the SASP data; a regional airport feasibility and site selection for the Verde Valley; and the development of a microcomputer noise model for airport land use planning.

The staff continues to participate in both Maricopa Association of Governments (MAG) and Pima Association of Governments (PAG)

Regional Airport and Heliport System Plans and associated studies. Coordination of data from the MAG and PAG Regional Aviation System Plan (RASP) studies has been established to ensure proper dovetailing of findings.

The map below depicts the current routes flown by both major and commuter airlines within the boundaries of Arizona and routes from Arizona cities to adjacent states flown by regional airlines.

